

**SENATE FISCAL AGENCY
MEMORANDUM**

DATE: March 31, 2004

TO: Members of the Senate

FROM: Gary S. Olson, Director

RE: Summary of FY 2003-04 Supplemental Appropriation Bill - Senate Bill 267 (S-1)

The Senate approved Senate Bill 267 (S-1) on March 31, 2004. This bill, which would make supplemental appropriations for FY 2003-04, is based on three separate recommendations from the Office of the State Budget dated February 12, 2004, and two recommendations dated March 9, 2004. The bill contains \$316.1 million of Gross appropriations funded from \$11.0 million of interdepartmental grants, \$195.6 million of Federal funds, \$91.7 million of State Restricted funds, \$17.9 million of private and local funds, and no General Fund/General Purpose appropriations. Table 1 provides a summary of appropriation items contained in the bill.

The appropriations in Senate Bill 267 (S-1) fall into three broad categories. The first is the appropriation of additional Federal funds that have been authorized after the Legislature completed action on the initial set of FY 2003-04 appropriation bills. The second category is the appropriation of additional Federal funds to meet projected funding shortfalls in human service programs. The third major category in the bill involves the appropriation of additional State Restricted funds. The following information provides a brief description of the major line-item appropriations contained in Senate Bill 267 (S-1).

Agriculture. The bill appropriates an additional \$17.8 million of Federal funds for the emerald ash borer eradication program. This appropriation is in addition to the \$14.5 million of Federal funds already appropriated for this program.

Attorney General. The bill appropriates \$0.4 million of Federal funds for Medicaid fraud programs.

Community Health. The bill appropriates a total of \$53.1 million of Gross appropriations for a variety of purposes. Included in the bill are numerous relatively small appropriations of additional Federal funds for a variety of departmental programs including administration, mental health and substance abuse programs, public health administration, laboratory services, epidemiology, local health administration, chronic disease and injury prevention, community living, children and families, aging and medical services administration. The bill also adjusts the appropriations for community mental health programs to reflect the closing of the Northville hospital and the transferring of patients and funding to the Kalamazoo Psychiatric Hospital and the Mount Pleasant Center for Developmental Disabilities. The final item in the Department is the appropriation of additional Federal and State Restricted funds in the Medicaid program to meet projected expenditure needs.

Education. The bill appropriates \$150,000 of State Restricted funds to establish a pilot project with Wayne State University to assure that school teachers meet the required teacher certification provisions of the federal No Child Left Behind law.

Environmental Quality. The bill appropriates \$76.1 million of Clean Michigan Bond proceeds, approved by voters in 1998, for environmental cleanup projects. The appropriations include \$24.6 million for 34 environmental cleanup projects which pose an imminent threat to public health, \$30.0 million for grants and loans to local units of government for brownfield development projects, \$11.5 million for remediation of contaminated lake and river sediment projects, and \$10.0 million for a variety of nonpoint source pollution grants and loans.

Family Independence Agency. The bill appropriates \$146.3 million of Federal funds to cover caseload adjustments and cost increases in three programs. The family independence program funding is increased by \$26.1 million, the day care program is increased by \$17.8 million and the food assistance program is increased by \$102.4 million. Federal Temporary Assistance for Needy Families funds and Federal Food Assistance funds are available to finance these spending increases.

Information Technology. The bill appropriates \$10.8 million of funding from interdepartmental grants for two information technology projects. The first is \$8.8 million of funding for Medicaid systems in the Department of Community Health that will be funded with available Federal funds and the second is \$2.0 million for a commercial vehicle information systems project in the Department of State Police funded with available Federal funds.

Natural Resources. The bill appropriates \$4.0 million of State Restricted snowmobile registration fee revenues for local snowmobile trail improvement projects.

State. The bill appropriates \$410,000 of Federal funds from the Help America Vote Act to implement barrier free changes at election sites. The bill also appropriates \$190,000 of State Restricted funds for the implementation by county clerks of recently enacted changes in the notary public laws.

State Police. The bill appropriates \$1.9 million of State Restricted auto theft prevention funding for grants to local public safety organizations. Additional State Restricted appropriations include funding for the forensic laboratory, the Michigan Commission on Law Enforcement Standards, 911 dispatch centers and grants to local law enforcement agencies for the distribution of breath test equipment to be used to reduce drunk driving.

Boilerplate Language

The following information summarizes the boilerplate language contained in Senate Bill 267 (S-1).

Sec. 201. General language concerning payments to units of local government in the bill.

Sec. 202. General language that subjects the appropriations in the bill to provisions of the Management and Budget Act.

Sec. 301. Language that replaces the existing capital airport improvement project funding formulas that reflects a change in Federal law that reduces the local airport matching fund requirement from 5.0% to 2.5% of the project cost.

Sec. 302. Language that authorizes the Department of Management and Budget to demolish existing obsolete State buildings in Lansing and Newberry.

Sec. 450. Language that directs the Department of Education to allocate the funding for professional preparation operations included in part 1. The funding shall be allocated at \$75,000 to Wayne State University and \$75,000 for Central Michigan University for teacher certification programs.

Sec. 501. Language that directs the Department of Environmental Quality to utilize \$15.0 million of the appropriation for brownfield development projects to capitalize the brownfield cleanup revolving loan fund.

Sec. 502. Provides for the carryforward of any of the unexpended appropriations for brownfield development and nonpoint source programs in the Department of Environmental Quality.

Sec. 503. Provides for the carryforward of any of the unexpended appropriations for environmental cleanup programs in the Department of Environmental Quality.

Sec. 504. Provides for the identification of the 45 sites that will receive funding from the environmental cleanup appropriation in the Department of Environmental Quality.

Sec. 506. Provides for the carryforward of any of the unexpended appropriations for the contaminated lake and river sediment cleanup program in the Department of Environmental Quality.

Sec. 507. Provides for the identification of the 5 sites that will receive funding from the contaminated lake and river sediment cleanup program appropriation in the Department of Environmental Quality.

Sec. 601. Language requiring the Family Independence Agency to fund the Encouraging Family Foundation program in Kent County.

Sec. 801. Language that requires the Department of Transportation to include in the planning of a multi-modal transportation center in Detroit, intercity bus carriers.

Sec. 802. Prohibits the Department of Transportation from using any other departmental appropriated funds to support the operations of the multi-modal transportation services bureau other than the funds directly appropriated to fund this bureau.

Sec. 803. Language that prohibits the Department of Transportation from reimbursing contractors or consultants for costs associated with ground breaking ceremonies, receptions, open houses or press conferences related to State funded transportation projects.

Sec. 804. Language that directs the Department of Transportation to use any unspent Federal highway funding from the Lake Chemung/Latson Road project in Livingston County for right of way purchases for an interchange at Latson Road and I-96 in Livingston County.

Sec. 805. Language that directs the Department of Transportation to develop short-term and long-term funding strategies to ensure that bus operators are not put at a competitive disadvantage by the State operating assistance provided to Amtrak. The Department shall develop a report on the impact of the Amtrak subsidies on competing transportation providers by February 1, 2005. The language also provides that any State subsidy for rail passenger service between Port Huron and Chicago shall not be used to artificially reduce passenger fares below the fare box cost of a private entity providing bus service over the same route.

Sec. 1001. Repeals the current Capital Outlay language dealing with local matching funds on airport improvement projects. This existing language is replaced with Sec. 301.

/kjh

Table 1
Senate Bill 267 (S-1)
FY 2003-04 Supplemental Appropriations
(actual dollars)

Department/Item	Gross	GF/GP
Agriculture		
Emerald Ash Borer Control Program	\$17,750,000	\$ 0
Animal Health and Welfare Programs.....	285,600	0
Environmental Stewardship Programs.....	150,000	0
Pesticide and Plant Management Programs.....	200,000	0
Attorney General		
Medicaid Fraud Control.....	433,934	0
Community Health		
Certificate of Need Program.....	100,000	0
Developmental Disabilities Council.....	500,000	0
Michigan Essential Health Provider Program	54,800	0
Mental Health/Substance Abuse Administration.....	233,000	0
Mental Health Projects	1,900,000	0
Community Mental Health Non-Medicaid Services	(17,116,000)	0
Community Mental Health Service Programs	17,116,000	0
Kalamazoo Psychiatric Hospital.....	12,000,000	0
Mount Pleasant Center Developmental Disabilities.....	5,116,000	0
Mental Health Services Private Funding.....	725,000	0
Public Health Administration	370,300	0
Laboratory Services	1,991,500	0
Epidemiology Services.....	1,195,700	0
Lead Abatement Program.....	100,000	0
Chronic Disease Prevention and Health Promotion	4,322,900	0
Community Living, Children and Families Program.....	911,700	0
Office of Services to the Aging Programs.....	670,000	0
Medical Services Administration	3,000,000	0
Medical Services	11,112,600	0
Information Technology Projects	8,800,000	0
Education		
Professional Preparation Operations.....	150,000	0
Environmental Quality		
Drinking Water Programs.....	275,000	0
Brownfield Grants and Loan Program.....	30,000,000	0
Nonpoint Source Pollution Control Grants	10,000,000	0
Environmental Cleanup and Redevelopment Program	24,565,000	0
Lake and River Sediment Cleanup Program	11,500,000	0
Surface Water Programs.....	45,000	0
Family Independence Agency		
Family Independence Program.....	26,056,100	0
Food Assistance Benefits.....	102,444,200	0
Day Care Services	17,809,300	0

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(actual dollars)

Department/Item	Gross	GF/GP
Information Technology		
Health and Human Services Projects	8,800,000	0
Public Protection Programs.....	2,000,000	0
Natural Resources		
Snowmobile Local Grants	4,000,000	0
Administrative Services.....	350,000	0
State		
Notary Public Training.....	190,000	0
Help America Vote Act Funding.....	410,000	0
State Police		
Auto Theft Prevention Program	1,935,000	0
Forensic Science Laboratory	696,000	0
Michigan Commission on Law Enforcement Standards	345,000	0
Commercial Mobile Radio Service Projects.....	400,000	0
Traffic Services	250,000	0
Information Technology Services and Projects.....	2,000,000	0
Total.....	\$ 316,143,634	\$ 0